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- I. Recent developments in both major Japanese political parties could have serious implications for our interests.
  - A. Divided opinion within Premier Kishi's ruling Liberal-Democratic Party (conservative) has forced Kishi to abandon plans for an early signing of a revised US-Japan Security Treaty.
  - B. Some elements are demanding major changes in the administrative agreement—the document spelling out the broad terms of the treaty—which would affect many of the extraterritorial rights of US forces in Japan.
    - 1. The changes go far beyond those originally intended by Kishi;
    - 2. The primary motive in the conservative dispute is to prevent Kishi and Foreign Minister Fujiyama from scoring a political victory (by attaining a revised treaty) vis-a-vis other conservative party factions prior to the important Diet upper house elections in June, although nationalism is also a factor.
    - 3. Anti-Kishi elements in his party see the security treaty revision as a possible means of unseating Kishi after the election.
  - C. The Socialists have shifted toward leftist extremism and are girding for an all-out attack on Kishi over the security treaty and relations with Communist China.
    - 1. Socialist party left-wingers have pushed through a decision to form a united anti-treaty front with the Communists, the huge Sohyo labor federation and other leftist organizations.

NSC BRIEFING

- 2. The Socialists hope to repeat their successful tactics of last December when they defeated Kishi on the police powers bill and precipitated a major factional struggle in conservative ranks. This time, however, the Socialists appear to lack overwhelming popular and press support.
- 3. A Socialist party mission to Peiping has joined Chinese Communist officials in terming "American imperialism" the "common enemy" of Japan and China because of the US "occupation" of Okinawa and Taiwan.
- 4. The joint communique issued by the mission accepted the Chicom view on issues concerning Taiwan and Japan.
  - a. Includes Socialist acceptance of Chicom claim to Taiwan and of Chicom demands for political relations and trade with Japan.
- II. These developments make it inevitable that the upper house election in June, and to a lesser extent the local elections in April, will be fought out on conservative advocacy of close cooperation with the US versus Socialist anti-Americanism.
  - A. Indications are that the overall conservative position has not so far been damaged by the intraparty feuding. Since the beginning of the year, the conservatives have won eight successive gubernatorial elections and are given a 50-50 chance in April elections in the two major metropolitan centers of Tokyo and Osaka.
  - B. The Socialists may have hurt themselves in the shift to leftist extremism. The press, which generally supports security treaty revision, has denounced the party for "slavish servility" to

Peiping. Right-wing Socialist leaders are threatening to split the party, although such a move seems doubtful.

- III. This situation poses possible dangers to the Japan-US relationship, the likelihood of which cannot be predicted with certainty.
  - A. The electoral campaign could serve to develop and crystallize deep-seated feeling in Japan over an "humiliating" treaty relationship with the US.
  - B. Failure of Kishi to secure a generally acceptable treaty revision could seriously undermine his prestige.
  - C. If the Liberal-Democratic Party (Kishi) majority is reduced by any substantial proportion in the upper house election, this could also mean Kishi's displacement by another in his own party.
    - 1. Loss of Kishi would almost certainly mean his replacement by a more nationalistic leader inclined to loosen ties with US.



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